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C O N F I D E N T I A L SECTION 01 OF 04 BEIJING 003127

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SUBJECT: XINJIANG PARTY CHIEF LIKELY TO STAY ON DESPITE PUBLIC DISCONTENT AND ERODED INTRA-PARTY AUTHORITY, CONTACTS SAY

REF: A. BEIJING 2753

1B. BEIJING 2183 AND PREVIOUS

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.4 (b) and (d).

11. (C) Summary: Xinjiang Party Secretary Wang Lequan seems likely to keep his job, several contacts predict, despite public anger over his handling of the July riots in Urumqi. A September 3 demonstration, in which thousands of Urumqi demonstrators demanded Wang's resignation, may have actually improved his chances at staying on. According to some observers, the Communist Party would be reluctant to remove a high-level leader in response to public pressure for fear of establishing a precedent that could lead to demonstrations against other unpopular provincial leaders. Wang Lequan continues to enjoy the backing of Party General Secretary Hu Jintao, our sources say, although his political authority within the Party has eroded due to perceptions he botched the response to the July unrest. Two Uighur intellectuals told us that ethnic tensions have accelerated a Han exodus from Xinjiang and have caused Urumqi housing prices to fall sharply. Scholars at Beijing's Central University for Nationalities reported that the Chinese government has commissioned internal academic studies to exam the causes of the violence in Xinjiang. The government appears to be focused on reducing Uighur unemployment as a means to improve stability in Xinjiang. End summary.

Wang Lequan: So Bad, He's Good

12. (C) In September, several Embassy contacts predicted Wang Lequan would be removed as Xinjiang Party Secretary soon after October 1 National Day celebrations. Wang Chong (protect), a journalist for the Communist Youth League (CYL)-published news magazine China Weekly, told PolOff September 15 that Wang Lequan would soon be named to a new post in Beijing, most likely vice chairman of the National People's Congress. Echoing comments we heard from a range of sources, Wang said such a "promotion" would give the Party a face-saving way of removing him from Xinjiang. Many in the CCP leadership, especially on the left, were "furious" at Wang Lequan for "losing control" of Xinjiang during the July unrest, Wang Chong added, but Wang's status as a Politburo member made his outright dismissal impossible. Embassy contacts frequently cited Public Security Minister Meng Jianzhu, Qinghai Party Secretary Qiang Wei, and Tibet Autonomous Region Party Secretary Zhang Qingli as possible candidates

to replace Wang Lequan in Xinjiang.

13. (C) As Wang remained in place through late October and into early November, however, contacts began to observe that Wang could remain in Xinjiang. Wang Xiaodong (protect), a well-known nationalist author who contributed to the best-selling book "Unhappy China," told PolOffs October 20 that Wang would likely keep his job. Wang Xiaodong, who also works for the CYL-operated opinion polling organization China Youth and Children Research Center (Zhongguo Qingshaonian Yanjiu Zhongxin), said the September 3 demonstrations, during which thousands of Urumqi's Han residents took to the streets to demand Wang Lequan's resignation, ironically served to ensure Wang's survival as Xinjiang Uighur Autonomous Region (XUAR) Party Secretary. The CCP, Wang said, had created a "dangerous precedent" by firing Urumqi Party Secretary Li Zhi in response to the September 3 demonstrations. Removing Wang Lequan in response to public pressure, even as part of a nominal promotion to Beijing, could encourage similar demonstrations in other provinces. The Party, Wang Xiaodong warned, could not afford to let the public believe that mass demonstration was an effective way of removing an unpopular party secretary. Removing Wang Lequan from Xinjiang would be difficult, he added, because after 16 years as Party Secretary Wang was "deeply entrenched" in the XUAR. Wang Xiaodong predicted that the CCP was likely to let Wang Lequan retire quietly in a few years. (Note:

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Wang Lequan was born in 1944, meaning he will reach 67, the usual retirement age for high-level cadres, in 2011.)

14. (C) Ilham Tohti (protect), a Uighur economist at Beijing's Central University for Nationalities who was detained for six weeks following the July 5 riots, told PolOffs October 28 that the CCP had been prepared to recall Wang Lequan from Xinjiang until the September 3 demonstration caused the Party to recalculate. Tohti predicted Wang Lequan would remain in place until at least the "next major CCP meeting of 2010," such as the Fifth CCP Plenum in fall 2010. Dildar Eziz (protect), a prominent Uighur author who works for the Xinjiang Chinese People's Political Consultative Conference (CPPCC), told PolOff November 6 that President Hu Jintao's late August visit to Xinjiang had served to shore up Wang Lequan's political position. During the visit, Hu had praised Wang's rule of Xinjiang during meetings with Party cadres, which praise was intended to convey the message that Wang would be staying put, Eziz said. Ma Rong (protect), a Peking University sociologist and frequent advisor to the CCP United Front Work Department, also cited Hu Jintao's support as the key reason Wang would keep his post. Wang Lequan, Ma told PolOff November 12, recently had told his staff that he planned to remain in Urumqi "for another three years." like Wang Xiaodong, predicted the CPP would "handle" Wang Lequan simply by letting him stay in Urumqi until he retired.

But Does He Still Call the Shots in Xinjiang?

15. (C) Though most Embassy contacts now predict Wang Lequan will remain in Xinjiang at least until 2010, most said his political authority and standing within the Party had diminished because of a widespread perception that he had botched the early response to the July 5 riots. Ilham Tohti said

that, following the July unrest, the central government no longer deferred to Wang Lequan on policy matters related to the XUAR and ethnic affairs. "Xinjiang had been the donkey that led the (central government) camel," Tohti said, "but not anymore." Similarly, Wang Xiaodong relayed that Wang Lequan and other high-level Xinjiang leaders had been severely criticized during internal Party meetings immediately after the riots, which criticism had reduced Wang's standing in the CCP.

16. (C) Wang Xiaodong, citing personal contacts in the People's Armed Police (PAP), added that PAP commanders in Urumqi had been prepared to move much faster the night of July 5 to quell the violence but had found that the Xinjiang Public Security Bureau paralyzed by indecision. This, according to Wang, was one reason Xinjiang PSB head Liu Yaohua had been fired in September, but many PAP officials also blamed Wang Lequan for delaying the order to mobilize the PAP. Eziz, however, expressed skepticism that Wang Lequan's authority had significantly diminished in the wake of the July 5 riot. "So long as Wang Lequan is physically present in Urumqi, he will continue to wield power," she

Han Flight

17. (C) Several contacts noted that the July riots had resulted in a Han exodus from Xinjiang. Dildar Eziz, who owns several properties in Urumqi, said the departure of Han from the city had impacted the housing market. Apartment prices once as high as RMB 5,000 per square meter had fallen to RMB 2,000after the July 5 riots. She said property prices had fallen especially sharply in the Saimachang district, one of the hotspots of the July riots. Beijing University's Ma Rong, who specializes in the study of internal migration to Tibet and other minority regions, also observed that Han migrant workers were leaving the XUAR out of fear of further violence. Ilham Tohti said that well before the riot Han were already starting to leave Xinjiang in pursuit of higher-wage jobs in China's coastal Han children raised in Han "bing tuan" provinces.

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(the quasi-military Xinjiang Production and Construction Corps) enclaves were less willing to remain in Xinjiang than their parents because of diminished job opportunities. Population dynamics in Xinjiang were fundamentally different than in Tibet, where high salaries continued to attract Han migrants, Tohti observed. Even before the riot the Chinese government had been having difficulty maintaining sizable Han populations in Xinjiang cities and towns outside of Urumqi.

18. (C) Not all Embassy contacts viewed the Han exodus as a serious problem. He Weifang (protect), a liberal Beijing University legal scholar currently teaching at a university in Shihezi, about 100 miles northwest of Urumqi, told PolOffs October 21 that he knew of some Han leaving Xinjiang because of the July 5 riot, including a colleague at Xinjiang Normal University who was seeking job opportunities in Guangzhou in an attempt to leave the region. However, Professor He said he believed that Han migration from the XUAR was a temporary phenomenon. He noted that housing prices in Shihezi were actually rising, which he attributed to the city's strong local economy and majority Han ethnic makeup.

- 19. (C) Tohti said that a major difference between views on the July unrest in Xinjiang and those on the March 2008 unrest in Tibet was the rejection, by both the general public and elites, of the official propaganda on the Urumqi riots. In the Tibet case, most Han accepted the government version, which blamed the 2008 violence on a small number of separatists working on the orders of the Dalai Lama. However, nobody, according to Tohti, believed official statements that World Uighur Congress President Rebiya Kadeer had masterminded the July riots. The Xinjiang riots, he said, had created a rift between the Communist Party and Han residents in the XUAR that did not exist in Tibet. Ma Rong said that the public skepticism had been caused by Wang Lequan's attempts to manage Han anger by covering up the extent of the violence. The actual death toll from the July riots, Ma asserted, "was nearly one thousand," of whom "95 percent" were Han, mainly migrant workers. (Note: The official death toll is 197.) Authorities, Ma Rong said, could not reveal the real figures for fear they would spark a new round of Han reprisals against Uighurs.
- 110. (C) Several academic contacts told us that the Xinjiang unrest had prompted numerous government agencies to commission "internal" (neibu) academic studies to examine the underlying causes of the Urumqi riots. Wang Xiaodong said a colleague working with the Xinjiang People's Armed Police had told him of opinion polls commissioned by the PAP that sought to clarify the causes of the violence. Ma Rong said that he had been invited to attend a major conference on bilingual education in Xinjiang the week of November 16, which he characterized as part of the government's response to worsening ethnic tensions. Pan Jiao (protect), a sociologist at Central University for Nationalities, told PolOff November 13 that many academics specializing in minority affairs had been tasked to work on internal research projects, which reflected the Party's genuine surprise over the Xinjiang unrest. "The leadership," Pan said, "could not believe something like this could happen at a time when China is doing so well overall."

Focus on Employment as Key Issue

111. (C) According to Pan Jiao and other academic sources, many internal studies were focusing on high Uighur unemployment as a factor contributing to ethnic tensions. Tohti told PolOffs that, despite his status as an outspoken critic of Chinese policy in Xinjiang, friends in the State Ethnic Affairs Commission had been sharing internal reports on the July riots with him and asking for his comments. Tohti said the main policy proposal to emerge in the wake of the July riots was a plan to limit importation of Han workers to the XUAR by requiring

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that Xinjiang companies hire at least 50 percent of their workers from the local community. Although the policy did not include hiring quotas for Uighurs, the 50-percent regulation would, if implemented, increase Uighur employment. Dildar Eziz said that while she had heard of similar ideas to improve Uighur employment, she doubted the proposals would have any meaningful impact since few large companies operated in predominantly Uighur cities like Hotan (Hetian) and Kashgar (Kashi). She predicted the programs would have many loopholes and would not change the fact that Han employers only

hired Uighurs "as a last resort." Tohti said that the Han out-migration from Xinjiang was providing more job opportunities for Uighurs and more space for minority-owned businesses to develop. Eziz, though acknowledging these developments, said the changes would be temporary. Uighurs remained on the economic margins, she said, doing the most difficult jobs for the least pay.